



2012-2013 San Gabriel - Fontana Water GRC

ORA Position: The Commission should adopt the Proposed Decision (PD) which reasonably disallows a portion of Sandhill Upgrade's \$40 million cost to reflect lower-than expected capacity, and order a refund to ratepayers.

Background

2004: San Gabriel requested and was authorized \$9.8 million to upgrade and add capacity to the Sandhill plant. [D.04-07-034, A.02-11-044]

2007: San Gabriel requested and was authorized \$35 million to allow it to access and treat 29 million gallons of water per day (MGD) of Lytle Creek water and provide a lower cost water supply. [D.07-04-046]

2009: San Gabriel requested and the Commission allowed \$40 million subject to refund and required San Gabriel to address specific capacity-issues in its next GRC. [D.09-06-027]

May 2012: ORA and San Gabriel settled on all but four plant issues for TY 2012-2013 GRC.

Oct 2013: Original PD proposed to adopt the settlement with modifications, disallow \$23 million of Sandhill upgrade cost, and ordered \$20 million in customer refunds.

April 2014: Revised PD determines Sandhill can only reliably reach a capacity of 24 MGD, proposes to disallow \$11.3 million of Sandhill upgrade cost, and orders a \$10.6 million refund.

San Gabriel Has Not Met 3 Sandhill Requirements from D.09-06-027 [O.P. 16]



- San Gabriel must show Edison's *contractual obligation* to deliver the water quantity needed for Sandhill to operate at its full capacity of 29 MGD.
 - ▶ San Gabriel has conceded that Edison is not obligated to provide specific amount of water to Sandhill. [San Gabriel Opening Comments, p. 4]
- San Gabriel must show that Edison's *facilities* are capable of delivering the water quantity needed for Sandhill to operate at its full capacity of 29 MGD.
 - ▶ San Gabriel's belated proposal for a bypass extension to increase flow to Sandhill illustrates that the *existing* facilities cannot achieve the expected capacity, and is not supported by an engineering plan or analysis.
- San Gabriel must show that Sandhill can treat 29 MGD of Lytle Creek water, if sufficient water is available.
 - ▶ Sandhill has not demonstrated its ability to achieve 29 MGD.
 - ▶ San Gabriel can only cite one un-sustained flowrate of 30 MGD over 30 minutes in 2010, which was obtained in conditions that were inconsistent with the plant's Standard Operating Conditions and regulatory requirements.
 - ▶ Sandhill did not achieve 29 MGD when there was ample water in spring-summer 2011.